

MINUTES FOR THE PUBLIC HEARING AND REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

A Public Hearing and Regular Board meeting was noticed pursuant to Section 61.063 of the Texas Health and Safety Code and Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 5:30 p.m. on the 17th day of April 2019, at the Winnie Community Hospital (“Hospital”)-Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

Public Hearing

At approximately 5:42 p.m., the Public Hearing meeting was convened, and the roll was called of the members of the Board, to wit:

Ed Murrell	President
Anthony Stramecki	Vice President
Robert “Bobby” Way, Jr.	Treasurer
Jeff Rollo	Secretary
Raul Espinosa	Director

All said Board members were present except Director Bobby Way. Also present at the meeting were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel for the District; Mr. Mo Danishmund, Chief Financial Officer for Hospital; Mr. Chris Portner, Counsel for Riceland; and Mr. Wade Thibodeaux, the Hometown Press.

After quorum was established, President Murrell asked if there was any public comment. There being none, the Board was asked to discuss Agenda Item No. 3, to engage in a public hearing regarding the proposed amendments to the District’s Indigent Care Policy. (See Exhibit “A”). Since no residents attended the meeting, Mr. Wade Thibodeaux with the Hometown Press asked to address the Board. Mr. Thibodeaux advised the Board that the Waller County Hospital District adopted similar criteria such as credit checks and as a result, the number of participants declined

substantially because the potential enrollees did not want to have their credit check. Mr. Thibodeaux expressed his understanding for such provisions but was concerned that those needing the program may not get the help needed because of their reluctance to submit to the new criteria.

Furthermore, Attorney Oxford engaged the Board in a discussion regarding the impacts of the implementation of the revised 1115 Waiver Program for Uncompensated Care and the conversion to charity care as the measurement of uncompensated care on the District's Indigent Care Program. He explained that he believed that at some point, the Hospital will begin to treat patients that fall within the charity care criteria rather than refer them to the District's Indigent Care Program because if a patient is treated by the Hospital, as a Charity Care client, the Hospital will get credit for the treatment through the Uncompensated Care Program. Therefore, given that the Hospital is a major source of referrals to the District's Indigent Care Program, Attorney Oxford wanted the Board to be aware that the current number of participants in the Indigent Care Program may decrease but instead, the District will be making intergovernmental transfers on the Hospital's behalf for treating the Charity Care patients. Those in attendance from the Hospital concurred and verified that they had been working with their consultants on the revisions to the 1115 Waiver Program and they concurred with Mr. Oxford's assessment. It was their position that it was in the best interest of the Hospital to begin treating the patients that qualify for Charity Care rather than to refer them to the District because if the clients are treated at the Hospital, the Hospital will get to credits as Uncompensated Care.

Following the discussion and questions by those attending the meeting, the Board and members of the audience agreed that since the amendments to the District Indigent Care Policy were recently provided, the District would hold another public hearing in two months before the June 19, 2019 Regular Meeting in hopes of receiving additional feedback. There being no further

discussion, a motion was made at 6:09 p.m. by Director Stramecki to close the public meeting. This motion was seconded by Director Rollo and passed with the unanimous consent of all Board members present.

Regular Meeting

Immediately thereafter, at 6:10 p.m., President Murrell called the Regular Meeting of the Board of Commissioners of Winnie Stowell Hospital District to order. The roll was called of the members of the Board, to wit:

Ed Murrell	President
Anthony Stramecki	Vice President
Robert “Bobby” Way, Jr.	Treasurer
Jeff Rollo	Secretary
Raul Espinosa	Director

All said Board members were present except Director Bobby Way. Also present at the public hearing were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel for the District; Mr. Mo Danishmund, Chief Financial Officer for Hospital; Mr. Chris Portner, Counsel for Riceland; and Mr. Wade Thibodeaux, the Hometown Press.

President Murrell asked the Board to stand and recite the Pledge of Allegiance. Prior to addressing the action items, President Murrell informed the Board that Agenda Items 9, 10, and 11 needed to be tabled until the next meeting because the matters were not ripe for consideration. Therefore, Director Stramecki made a motion to table:

Agenda Item 9- Discuss and take action, if necessary, on amending the District’s Indigent Health Care policy.

Agenda Item 10-Discuss and take action on adopting a grant policy for the District.

Agenda Item 11-Discuss and take action, if necessary, on amending and updating the District’s Personnel Policies.

This motion was seconded by Director Rollo and unanimously approved by all the Board members present.

After tabling the various agenda items, the Board was directed to Agenda Item No. 3, to review and approve the minutes of the March 20, 2019 Regular Meeting. The minutes were examined by the Board and a motion was made by Director Stramecki to approve the minutes of the March 20, 2019 Regular Meeting. This motion was seconded by Director Rollo with the unanimous consent of all Board members.

Next, President Murrell asked the Board to return to Agenda No. 4, to review and approve financial reports; payment of invoices, and amend budget, if necessary. In light of Mr. Sticker's absence, Attorney Oxford presented the District's financial reports and asked the Board to review the 1) Treasurer's Report; 2) Balance Sheet as of March 31, 2019; 3) Profit & Loss Budget vs. Actual as of March 31, 2019; and 4) the check register for the District's Prosperity Account from March 20, 2019 through April 17, 2019. (See Exhibit "B"). First, Attorney Oxford asked the Board members to review the Balance Sheet and Profit & Loss Budget v. Actual Statement. He noted that the only line item that was over budget was the Accounting Professional Fees, but he explained that the fees needed to be adjusted because no accounting fees have been attributed to the Accounting Fee line item for the nursing homes.

Next, Attorney Oxford turned to the Treasurer's Report. Attorney Oxford initiated the conversation by asking the Board to review the invoices to be paid. Once the Board completed this review, he then informed the Board that the District had unencumbered funds that totaled \$1,972,412.38. Furthermore, he informed the Board that the District was recently notified by the Texas Health and Human Services that the QIPP Year 2, Quarter 2 Component 2, 3, and Lapsing

fund payments were finalized and the District's facilities had an overall achievement rate of 91% and the District should be receiving \$2,667,291.90 in payments.

Looking forward, Attorney Oxford informed the Board that the District was going to be asked to make a payment to the Managers for the incentive payments. He estimated that the payments were going to be \$1,152,027.09. In addition, the District needed to pay LTC for their outstanding February, March and April 2019 invoices. The total for all invoices was \$410,000.00. Otherwise, the District repaid Loan 13 in full but had an interest payment of \$60,794.06 due at the end of the month for Loan 14.

Furthermore, to follow up on the March 22, 2019 Regular Meeting discussion regarding the Bank reconciliation to comply with the Third Amended Transfer Policy, Director Stramecki and Attorney Oxford reminded the Board that the Finance Committee was given permission to authorize staff, with the President's signature, to transfer up to \$1,006,905.75 from the District's Prosperity account to the District's Interbank account so that the District would be compliance with its Third Amended Transfer Policy and to set aside \$303,820.30 for the last five months of interest for Loan 14. After the meeting, the Committee considered its options and explained that they believed it was better to give approval for the transfer of \$703,085.45 instead of previously approved \$1,006,905.75 because the District could reserve its cash in Prosperity and then leave the \$303,820.30 in outstanding interest payments for Loan 14 in the Interbank account once the QIPP Year 2, Quarter 2 Component 2, 3 and Lapsing funds were received and disbursed.

Lastly, Attorney Oxford presented the Board with a summary explaining that the District's Interbank account was \$1,447.37 underfunded. According to Attorney Oxford, at the last month's meeting when staff prepared the report to reconcile the District's Interbank account with the District's Third Amended Transfer Policy, staff reported that the District was waiting to receive

\$1,377.37 in Adjustment Payments. Nonetheless, the funds had been received and therefore, the amount transferred (i.e., \$703,085.45) was \$1,377.37 less than it should have been. Consequently, the District needed to transfer funds to make up for this shortage plus \$100.00 to cover transfer fees (i.e., \$1,447.65).

At the end of the discussion of the financials a motion was made by Director Stramecki to approve the financials for March 2019, the Treasurer's reports, and invoices to be paid. This motion was seconded by Director Espinosa and unanimously approved by all Board members.

President Murrell called on the Committee Chairpersons to discuss Agenda Item No. 5, Committee Reports but there were no reports to discuss. However, Director Rollo advised the Board that he and Director Espinosa were prepared to make a recommendation for the youth counselor when Agenda Item No. 8 was addressed by the Board.

President Murrell then asked for reports by the staff and Hospital. The reports provided were as follows:

a. **Administrator's Report:** Mrs. Norris reminded the Board members about the upcoming THT 2019 Healthcare Governance Conference in San Antonio on July 18-20, 2019 and asked for the Board members and staff to let her know if they were going. In response, President Murrell, Director Stramecki, and Mrs. Jimenez confirmed they were going to attend.

b. **District Indigent Care Director:** Before giving her Indigent Care Report, Mrs. Jimenez informed the Board that she believed the Hospital's Health Fair was a success. From the District's perspective, she met with twelve (12) potential Indigent Care Program participants and was able to sign up two (2). She then presented her Indigent Care Report for March 2019. In March, Mrs. Jimenez highlighted that the number of participants in the Indigent Care Program

increased significantly to seventy-eight (78). The Indigent Care Report can be found in **Exhibit “C”** and summarized below:

	March				Year to Date			
Clients:	78							
Children Counseled:								
Summary by Facility	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnic Community Hospital	\$86,594.52	\$35,503.75	56.32%	\$0.00	\$242,256.72	\$99,325.25	65.92%	\$0.00
Pharmacy								
Brookshire Brothers Pharmacy Corp	\$8,148.58	\$7,437.92	11.80%	\$7,437.92	\$21,973.47	\$19,690.01	13.07%	\$19,690.01
Brookshire Brothers Pharmacy Med	\$6.80	\$6.80		\$6.80	\$8.50	\$8.50	0.01%	\$47.30
Wilcox Pharmacy	\$2,741.75	\$1,898.59	3.01%	\$1,898.59	\$7,231.14	\$5,124.90	3.40%	\$5,124.90
Pharmacy Total	\$10,897.13	\$9,343.31	14.82%	\$9,343.31	\$29,213.11	\$24,823.41	16.47%	\$24,862.21
UTMB								
UTMB Hospital	\$32,462.09	\$13,785.14	21.87%	\$13,785.14	\$59,571.05	\$20,291.29	13.47%	\$20,291.29
UTMB Physician Services	\$11,945.00	\$4,410.24	7.00%	\$4,410.24	\$18,611.00	\$6,241.29	4.14%	\$6,241.29
UTMB Total	\$44,407.09	\$18,195.38	28.86%	\$18,195.38	\$78,182.05	\$26,532.58	17.61%	\$26,532.58
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$141,898.74	\$63,042.44		\$27,538.69	\$349,651.88	\$150,681.24		\$51,394.79
Summary by Service Provided								
Prescription Drugs	\$10,897.13	\$9,343.31	14.82%	\$9,343.31	\$29,251.91	\$24,862.21	16.50%	\$24,862.21
WCH Clinic	\$10,035.12	\$4,114.40	6.53%	\$0.00	\$34,524.12	\$14,154.89	9.39%	\$0.00
WCH ER	\$22,919.00	\$9,396.79	14.91%	\$0.00	\$105,572.00	\$43,284.52	28.72%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Observation	\$10,641.00	\$4,362.81	6.92%	\$0.00	\$10,641.00	\$4,362.81	2.89%	\$0.00
WCH Outpatient Surgery	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$6,008.00	\$2,463.28	3.91%	\$0.00	\$20,809.00	\$8,531.69	5.66%	\$0.00
WCH Physical Therapy	\$3,731.00	\$1,529.71	2.43%	\$0.00	\$3,731.00	\$1,529.71	1.01%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Lab/Xray	\$20,072.00	\$8,229.52	13.05%	\$0.00	\$36,912.00	\$15,133.92	10.04%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Xray	\$11,037.40	\$4,525.33	7.18%	\$0.00	\$20,733.60	\$8,500.77	5.64%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$2,406.00	\$986.46	0.65%	\$0.00
Lab/Xray readings	\$2,151.00	\$881.91	1.40%	\$0.00	\$6,928.00	\$2,840.48	1.88%	\$0.00
UTMB Outpatient	\$32,462.09	\$13,785.14	21.87%	\$13,785.14	\$59,571.05	\$20,291.29	13.46%	\$20,291.29
UTMB Anesthesia	\$1,830.00	\$1,455.00	2.31%	\$1,455.00	\$1,830.00	\$1,455.00	0.97%	\$1,455.00
UTMB Physician Services	\$10,115.00	\$2,955.24	4.69%	\$2,955.24	\$16,781.00	\$4,786.29	3.18%	\$4,786.29
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$141,898.74	\$63,042.44		\$27,538.69	\$349,690.68	\$150,720.04		\$51,394.79

c. **District General Counsel:** Attorney Oxford had no report except to present the Board with a summary of the District’s achievement rate for QIPP Year 2, Quarter 2 and payment amounts that he previously discussed. (See **Exhibit “D”**).

d. **LTC Report:** No report was given but the Board was asked to review the monthly report submitted by LTC. (See **Exhibit “E”**).

e. **Hospital Report:** This month, Mr. Danishmund gave the Hospital’s report because Mr. Saad Javed was unable to attend the meeting. Mr. Danishmund regrettably informed the Board that the statistics for the Hospital in March were not as good as he had hoped. Specifically, he reported that the average inpatient days dropped to 1.61 from 2.71. Likewise, he reported that

while the number of visits to the Emergency Room increased from February 2019, the number of patients that were converted from Emergency Room visit to inpatient care went from 8% to 5%.

On the other hand, he was happy to report the following:

- Tentative date for the grand opening of new DR system installed in our Radiology Department at the hospital was set for May 1st, 2019;
- The Hospital has initiated an internal quality and customer service improvement process for both our ER and Inpatient hospital services including membership in HCAHPS (the Hospital Consumer Assessment of Healthcare Providers and Systems) for external customer satisfaction reviews;
- Plans have been drawn up for improving flow design, registration privacy & aesthetic makeover of the ER department admissions area, which includes an ER waiting area for patients out of the hallway and moving the ER Provider/nurse's station up to the front of the ER department; and
- Clinic hours are being re-organized and updated to improved patient flow and customer service.


Next, President Murrell addressed Agenda Item No. 7, to discuss and take action, if necessary, on engaging Durbin & Company to perform the District's Annual Audit for 2018. Attorney Oxford explained to a proposed engagement letter was received and that he proposed language in the 2018 engagement letter that the audit not exceed \$25,000.00 and if the cost were to exceed this amount that the auditor get permission from the Board before performing the additional work. (See **Exhibit "F"**). The Board members concurred with this recommendation and a motion was made by Director Rollo to give the President authorization to execute the 2018 Audit letter subject to the proposed not to exceed \$25,000.00 language recommended by Attorney Oxford. This motion was seconded by Director Espinosa and unanimously approved by all Board members present.

Turning to Agenda Item No. 8., to discuss and take action, if necessary, on hiring a youth counselor, President Murrell called on Director Rollo to make a recommendation. According to

Director Rollo, the Indigent Care Committee met and reviewed the three (3) responses to the District's Request for Qualifications for the youth counselor's position. After meeting and discussing the proposals, it was the Indigent Care Committee's recommendation to accept proposal by NewPath and for the District to begin negotiations with NewPath on terms of any agreement. (See **Exhibit "G"**). Attorney Oxford recommended a meeting with NewPath to negotiate the terms of an agreement to provide youth counseling services and then the Committee would make a final recommendation to execute an agreement with NewPath at the May 15, 2019 Regular Meeting. After this recommendation was made, Director Rollo made a motion to accept the proposal by NewPath to provide youth counseling services and to authorize the Indigent Care Committee to confer with NewPath to negotiate terms of an agreement to be approved by the entire Board at the May 15, 2019 Regular Meeting. Director Rollo's motion was seconded by Director Espinosa and unanimously approved by all Board members present.

Lastly, President Murrell called on the Board Members to address agenda Item 12, to discuss and take action, if necessary, on approving the Federal Home Loan Bank agreement to secure the District's funds in Post Bank. President Murrell reminded the Board that this Agreement was executed after the last meeting, but Attorney Oxford recommended that the Board give authority to execute the Agreement was executed despite there being no agenda item for the agreement on the March 20, 2019 Regular Meeting Agenda. (See **Exhibit "H"**). Attorney Oxford explained that the Agreement did not commit the District to any expenses, and it was made prior to formal Board approval given its importance to the District's compliance with the Public Funds Investment Act. Those present agreed and a motion was made by Director Stramecki to authorize the execution of the Federal Home Loan Bank agreement. Director Stramecki's motion was seconded by Director Rollo and unanimously approved by all Board members present.

President Murrell then called for any other such matters before the Board. There being none, the Board the next Regularly Scheduled Meeting. After some discussion, the Board agreed to hold the next Regular Meeting at 6:00 p.m. on May 15th, 2019. At 7:28 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President